

The Michigan Legislature Lansing, Michigan



Senate Democratic Caucus
Office: 517-373-7370

House Democratic Caucus
Office: 517-373-8292

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CONTACT: Leslee Fritz
517-373-7370

LEGISLATION TO PROTECT MICHIGAN JOBS BECOMES LAW

LANSING - Governor Jennifer M. Granholm signed legislation today designed to keep Federal-Mogul Corporation viable in Michigan. The Southfield-based company, which has plants in a number of Michigan cities, will receive a tax break if it maintains employment at certain levels in factories and other statewide locations.

"I'm very pleased to have been involved in this legislation," said Senator Gilda Z. Jacobs (D-Huntington Woods), who represents Southfield. "These are Michigan jobs. Whether they are located in one location or spread across the state has no bearing on their importance. We had a chance to protect Michigan workers, so we did."

The law makes Federal-Mogul eligible for tax credits that were previously limited to companies that promised to retain 500 jobs at one plant. Federal-Mogul, an auto-parts supplier, has a combined 780 workers, but they are spread between two plants: one in Greenville and the other in St. Johns. The company has said it needs to cut costs at both factories to keep them open. The change to the Michigan Economic Growth Authority Act will allow Federal-Mogul, and other companies in similar circumstances, to receive credits even if the new or retained jobs are spread between plants at different sites.

"The Governor asked for greater flexibility in dealing with companies struggling to stay in Michigan and the legislature responded quickly," said Senate Democratic Floor Leader Mark Schauer (D-Battle Creek). "Hopefully, this change will benefit communities across Michigan who are home to companies wanting to expand."

Jacobs and Schauer participated in the bill-signing ceremony with the Governor this morning. Photos of the event can be downloaded at <http://www.senate.michigan.gov/demcaucus/pr042104.htm>

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